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TO: ADMINISTRATOR AND SENIOR EXECUTIVES

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ADMINISTRATOR:

Pruitt: EPA Will Adhere To Rule Of Law, Respect States' Rights. Newly-installed EPA Administrator Scott Pruitt told agency employees Tuesday that "under his leadership the agency once again will adhere to the rule of law and will respect states' rights," the

Washington Times (2/21, Wolfgang) reports. Pruitt, who as Attorney General of Oklahoma "often clashed with the agency in court as he challenged former President Obama's climate-change agenda," told EPA workers in Washington that Federal environmental regulations "often have been unnecessarily cumbersome and expensive, and have created confusion rather than clarity." Said Pruitt, "Regulations ought to make things regular. Regulators exist to give

certainty to those they regulate. ... I seek to ensure that we engender the trust of those at the state level, that those at the state level see us as partners...and not as adversaries." The Hill (2/21, Cama) reports that while the Trump administration is expected to sign executive orders to begin undoing Obama-era regulations, Pruitt did not discus specific plans for those rules or others, and instead "outlined the principles he wants to guide his time at the EPA." Reuters (2/21, Gardner) reports that Pruitt said he believes "we as an agency, and we as a nation, can be both proenergy and jobs, and pro-environment." Bloomberg News (2/21, Dlouhy) reports that Pruitt's speech was an attempt to "convince skeptical federal employees that a refashioned agency can remain effective." Pruitt, who believes in a "cooperative federalism" approach that gives states a larger role in environmental protection, argued that the agency can do a better job of combating pollution by focusing on its core functions.

The Wall Street Journal (2/21, Harder) reports that the speech only lasted about ten minutes and did not touch on the controversial issues that arose during his confirmation process. Politico (2/21, Guillén, Wolff) described Pruitt's remarks as "conciliatory" but said he made clear that "he plans a sharp departure from the Obama administration's strategy and will emphasize cooperation with industry." The Washington Post (2/21, Dennis, Mooney) reports that Pruitt focused on his pledge to work closely with states, it remains to be seen how cooperative some states will be in any attempt to undo Obama administration environmental regulations considering "states such as Massachusetts, New York and California [are] likely to oppose such efforts through state-level lawsuits much like the ones that Pruitt himself participated in against Obama's EPA."

Meanwhile, the Los Angeles Times (2/21) reports that some EPA employees felt even more "rattled" after hearing Pruitt's speech about the new direction of the EPA. In a recent interview with the Wall Street Journal, Pruitt "suggested...that the EPA, which has taken the lead in federal efforts to regulate greenhouse gases, may not even be equipped to be playing much of a role at all."

Op-Ed Defends Trump Administration's Relationship With "Climate Change Science." In an op-ed in the Washington Times, (2/21, Sadar) Anthony J. Sadar, a Certified Consulting Meteorologist, defends the contentious relationship the Trump administration and the new head of the EPA, Scott Pruitt, have had with "climate change science." Sadar argues against those that claim climate change is a "settled science," and instead says that like all science, it can "certainly be influenced by politics or, essentially, ideology."

West Virginia Lawmakers Warmly Welcome New EPA Chief. An editorial in the West Virginia Record (2/21) reflects on the novelty of having West Virginia's lawmakers praise the new EPA Administrator after years of contentious relationships between the Mountain state's lawmakers and the EPA's previous administrators, Gina McCarthy and her predecessor Lisa Jackson. Since Scott Pruitt has been confirmed, Senators Joe Manchin and Shelley Moore Capito, Representative Evan Jenkins, and State Attorney General Patrick Morrisey have all said nice things about the new EPA chief. According to Sen. Manchin, "Pruitt knows that I believe it is important that the EPA is working with states like West Virginia, not against

Additional Reading.

- Pruitt Wants 24/7 Bodyguards. Greenwire.
 (2/20)
- Op-Ed: Scott Pruitt Laid Out A Vision For The EPA That Contradicts Its Mission. Forbes. (2/21)

BROWNFIELDS/SUPERFUND/O THER CLEANUPS:

Hoosick Falls Agrees To \$1M Settlement For PFOA Contamination.

The Bennington (VT) Banner (2/21, Damon) reports that the village of Hoosick Falls has agreed to a \$1.045 million settlement with Honeywell International and Saint-Gobain "for out-of-pocket expenses" related to PFOA contamination in the local drinking water. A previous agreement for \$850,000 had already been rejected at a public meeting last month. The new agreement "has been revised to ensure the village retains its right to pursue any other claims."

Local TV Coverage: Tulsa Brownfields Clean Up. KOKI-TV Tulsa, OK (2/21, 6:18 p.m. EST) reported, "The City of Tulsa planned a public meeting to update you about efforts to clean up contaminated property. We told you in July the EPA announced Tulsa would get a \$300,000 grant to address hazardous sites. Brownfields areas are contaminated by hazardous materials, pollutants, or contaminants. In January we told you phase 1 of the cleanup finally began, and once all the contaminants are removed it will be suitable for investors to develop that land. They say the clean up would cost about \$700,000."

Additional Reading.

- Even Trump Can Agree That Polluters And Not Taxpayers Should Pay To Clean Up Our Mines. The Hill. (2/21, Squillace, Contributor)
- EPA Seeks Dismissal Of Mine Spill Lawsuit Claims. Farmington (NM) Daily Times. (2/21, Smith)

INTERNATIONAL:

Additional Reading.

 Thai Leader Says Impact Of Coal Plant To Be Studied Again. Washington (DC) Times (2/21).

OTHER NEWS:

Perry, Zinke To Receive Senate Vote After Presidents Day Break. The

"Morning Energy" blog of Politico (2/21) reported that both Energy secretary nominee Rick Perry and Interior secretary nominee Ryan Zinke "will have to wait another week for Senate action on their nominations." Zinke will receive "a cloture vote on Feb. 27 once the Senate returns from its Presidents Day break." Perry nomination will be the second "considered after the Senate finishes up with Zinke's, but if the former Texas governor is frustrated by the delays he isn't showing it on social media." Perry "posted pictures of him shooting a very large rifle and at a coffee shop in Round Top, Texas over the last couple of days."

Industry Concerned About DOE Programs
That May Be Cut. Greenwire (2/21, Yachnin)
reports a "growing chorus" of energy industry
leaders "is warning that squeezing the
Department of Energy's finances could stall a

push to modernize the nation's sprawling electric grid and nuclear fleet." The new administration has made "repeated pledges" to "scale back federal agencies...sparking rumors about DOE renewable energy, efficiency and nuclear physics and scientific computing programs" cut. While "expectations are high" that Republicans in Congress "and the Trump administration will push for cuts to some DOE programs," it is "unclear how deep the cuts will be, what Congress will pass and whether" former Perry "will push back." Perry, during his confirmation hearing, "discussed the benefit of DOE programs during his confirmation hearing" and vowed "to defend the agency's work if confirmed." Boundary Stone cofounder Jeff Navin said the budget is the first "real test" of whether the president "defers to his Cabinet appointees on funding or listens to White House officials who have called for deep cuts."

Silverstein: Industry Support Critical For Implementing A Carbon Tax.

Forbes (2/21, Silverstein) contributor Ken Silverstein writes that a surprising coalition of Republicans, oil and gas industry leaders, as well as 365 brand name companies support plans for a carbon tax with ranging levels of enthusiasm. The oil industry has given "tacit approval to pricing carbon," with BP, ExxonMobil, Royal Dutch Shell and StatOil all agreeing that "such a measure would be more efficient than a patchwork of international laws." Silverstein argues that "big business will have to lead" if the plan is to gain traction, and industry must "use its heft to convince the newly-seated EPA administrator...to support a negotiated price on carbon."

Kotchen: Trump Administration Should Consider Carbon Tax. A TIME (2/21, Kotchen) op-ed by Yale University economics professor Matthew Kotchen urges President Trump to seriously consider a carbon tax, which could appeal to an administration set on maintaining balance between economic growth and job creation versus environmental protection. Kotchen says the "carbon dividends" plan proposed by conservative giants James Baker, Henry Paulson, George Shultz, and others "may help Trump find this balance."

Scholar: Paris Climate Agreement "A Self-inflicted Wound." Steven J. Allen at the Capital Research Center writes for <u>The Hill</u> (2/21) in its "Congress Blog" that China and India have pledged only to curb emissions that "were

most likely coming anyway" without the Paris Agreement. China's and India's "trifling promises" were met by Obama-era environmental policies Allen calls "a self-inflicted wound utterly unmatched in the rest of the world." Allen highlights a Heritage Foundation analysis projecting the Paris Agreement would cost 400,000 jobs, hike household electricity prices 13-20 percent, and cost the national economy \$2.5 trillion by 2035.

Northeastern States Urged To Take On Mantle Of Climate Leadership.

Several Northeastern states commissioned a study in 2011 that determined "a regional program to encourage cleaner fuels would be economically viable." An editorial in the <u>Boston Globe</u> (2/21) argues that it may be time to "dust off that study" now that the Trump administration has indicated it won't encourage federal leadership on climate change. "States have to pick up the slack, and reviving the program— known by the jargony term "low-carbon fuel standard" — would be a good way to start," the Globe says, calling on Massachusetts to lead the way with or without its neighboring states.

RULES/REGULATIONS/POLICY

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Trump Administration Prepares "Review" Of Clean Power Plan. <u>E&E</u>

Publishing (2/21) reports that the EPA's new administrator "is expected to begin unraveling landmark climate policies in the opening days of his job." White House officials have already begun reviewing an executive order that would weaken the Clean Power Plan and cancel the Climate Action Plan, "the aspirational framework" aimed at reducing greenhouse gases nationwide.

<u>E&E Publishing</u> (2/21) reports that in an interview with the Wall Street Journal, Pruitt openly questioned whether the EPA has the "tools" to restrict carbon dioxide emissions. His statements seemed to contrast his testimony at last month's confirmation hearing, where he said, "I believe EPA has a very important role at regulating the emissions of CO2," during one exchange with Sen. Bernie Sanders.

Sources: Trump Set To Issues Orders On Emissions, Waterways Rules.

Drawing on reporting by the Washington Post, The Hill (2/21, Henry) reports that according to unnamed sources, President Trump is poised to issue executive orders instructing the EPA to rewrite a 2015 rule limiting greenhouse gas emissions from existing power plants. Another order would "instruct the EPA and the Army Corps of Engineers to redo another 2015 rule that gives the federal government more regulatory power over waterways," and immediately lift a moratorium on federal land coal leasing. Reuters (2/21) reports that EPA employees were not given the details of the orders, according to two EPA sources.

Trump Reaffirms Support For Ethanol

Industry. The Hill (2/21, Henry) reports in a letter to the National Ethanol Conference on Tuesday, President Trump reiterated his support for the federal ethanol fuels mandate. Trump promised to work with the industry's Renewable Fuels Association to "identify and reform" regulations on the industry, which he said "has suffered from overzealous, job-killing regulation." The Hill notes that some Trump administration advisers, such as investor Carl Icahn, have signaled support for shifting the RFS "point of obligation." Bloomberg News (2/21, Parker) notes that the letter comes just one day before the EPA "closes public comments on whether it should grant an Icahn and oil refiner-led push to move the onus on who should be responsible for adhering to the so-called Renewable Fuel Standard."

Reuters (2/21, Prentice) reports on the President's assurances to the ethanol industry in a letter sent to conference attendees at the National Ethanol Conference meeting this week in San Diego. Trump said he wants to lift the regulatory burden in the energy industry but did not give specifics.

Automakers Ask Pruitt To Reopen Review Of Obama-Era Fuel Economy

Standards. Bloomberg News (2/22, Beene) reports the Association of Global Automakers wants newly confirmed EPA Administrator Scott Pruitt "to withdraw a decision made in the Obama administration's final days that upheld light-vehicle greenhouse gas emissions standards through 2025." In a letter to Pruitt over the issue, the group asked the EPA chief "to resume a review of the standards in conjunction with the National

Highway Traffic Safety Administration, which is developing vehicle fuel economy regulations for 2022-2025."

The Wall Street Journal (2/21, Spector) reports a week before President Trump came into office, the EPA announced it was keeping its fuel economy targets, even though the full review with NHTSA and other partners was not supposed to finish until 2018. The EPA's decision on the matter cannot be revised lightly, however, as environmental groups would surely take any changes to the midterm review of the regulations to court.

Reuters (2/21, Shepardson) reports the president and CEO of the Alliance of Automobile Manufacturers, Mitch Bainwol, also wrote to Pruitt that the fuel economy standards decision was "the product of egregious procedural and substantive defects...riddled with indefensible assumptions, inadequate analysis and a failure to engage with contrary evidence."

Scholar Urges Replacement Of CAFE Standards. Ian Adams with the R Street Institute writes for The Hill (2/21) "Pundits Blog" that the fuel economy standards "force Americans to pay more for cars and light trucks while providing few ecological, economic or security benefits." CAFE standards are regulated by the EPA and NHTSA, and Adams writes that when the EPA finalized stricter standards 14 months earlier than scheduled, NHTSA was pressed to conform to avoid divergent policies. Adams says the CAFE standards should be replaced with a "unified supply-side solution" offering tax incentives to companies whose fleets outperform emissions targets.

Shughart: EPA Regulations Should Be Starting Place For Trump's Regulatory

Rollback. In an op-ed in the Philly (PA), (2/21, Shughart) William F. Shughart II, research director of the Independent Institute, praises the Trump Administration's proposal to eliminate two existing regulations for every new rule issued. Shughart points to the EPA's proposed Mercury and Air Toxics Standards (MATS) as a good starting place, stating that it will cost electric utilities nearly \$10 billion per year and "inflict deep economic pain on states like Wyoming, West Virginia, Kentucky, Illinois, and Pennsylvania."

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